Nova Leap Health Corp.

Management Discussion & Analysis
For the year ended December 31, 2020

NOVA LEAP HEALTH CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

BACKGROUND

This Management's Discussion and Analysis ("MD&A") of Nova Leap Health Corp. ("Nova Leap" or "the Corporation"), together with its subsidiaries (the "Group"), is dated March 11, 2021 and provides an analysis of the Corporation's operations for the years ended December 31, 2020 and 2019. This MD&A should be read in conjunction with the consolidated financial statements and accompanying notes for the years ended December 31, 2020 and 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in United States dollars ("USD") unless otherwise specified. The financial statements and additional information relating to Nova Leap are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under the Corporation's profile. The common shares of Nova Leap are traded on the TSX Venture Exchange under the symbol "NLH".

CORPORATION OVERVIEW

Nova Leap is an acquisitive home health care services company operating in one of the fastest-growing industries in the U.S. and Canada. The Corporation performs a vital role within the continuum of care with an individual and family centered focus, particularly those requiring dementia care. The Corporation is geographically diversified with operations in 7 different U.S. states within the New England, Midwest and South-Central regions as well as in Nova Scotia, Canada.

Home care saves patients and taxpayers billions of dollars every year by treating them in their own homes instead of in hospitals. An aging population, the prevalence of chronic disease, growing physician acceptance of home care, medical advancements and a movement toward cost-efficient treatment options from public and private payers have all fostered industry growth. Nova Leap is focused on a highly fragmented market of small privately held companies providing clients one on one care in their homes, facilities, or hospice.

Nova Leap's post acquisition organic growth strategy is to increase annual earnings before interest, taxes, depreciation and amortization ("EBITDA") per location through a combination of increased employee investment, including training, focused sales and marketing efforts, billing rate increases, expansion of geographical coverage, improved referral sources and implementation of efficiencies in payroll, scheduling, billing and human capital. The Corporation intends to continue its growth strategy through acquisitions, while pursuing organic growth opportunities and implementing operational efficiencies in existing operations.

The consolidated financial statements and MD&A include the accounts of the Corporation and its U.S. and Canadian subsidiaries. The registered head office of the Corporation is located at 5003-7071 Bayers Road, Halifax, NS Canada.

SELECTED ANNUAL INFORMATION

	2020	2019	2018
	$	$	$
Service revenue	**17,309,407**	17,404,715	10,362,179
EBITDA	**462,007**	907,260	(161,112)
Less: Amortization and depreciation	**544,224**	618,670	442,728
Less: Stock-based compensation	**313,861**	401,420	159,897
Loss from operating activities	**(396,078)**	(112,830)	(763,737)
Net income (loss)	**1,256,298**	(1,055,815)	(961,271)
Net income (loss) per share – basic and diluted	**0.02**	(0.02)	(0.02)
Total assets	**17,535,086**	14,114,970	12,459,081
Total current liabilities	**4,174,205**	4,734,679	5,068,069
Long-term financial liabilities	**3,518,691**	2,255,666	563,483

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A are forward-looking statements or information (collectively, “forward-looking statements”). Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “may”, “will”, “should”, “could”, “expects”, “anticipates”, “believes”, “estimates”, “intends”, “plans”, “projects”, “predicts”, “targets”, “potential”, “continue”, “goals”, “objective” and “outlook”), including statements regarding Nova Leap’s business objectives and strategies, including those described under the headings “Corporation Overview”, “Operations Overview” and “Nova Leap’s Strategy”, expected recurring client service hours, expectations for future financing activities, estimates around the amount of potential forgiveness of Paycheck Protection Program loans and intentions relating to the payment of dividends, are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The assumptions on which these forward-looking statements are based include assumptions concerning general economic and market conditions, availability of working capital necessary for conducting Nova Leap’s operations, and Nova Leap’s ability to integrate its acquired businesses and maintain previously achieved service hour and revenue levels. Further, any forward-looking statement speaks only as of the date on which such statement is made and, except as required by applicable law, Nova Leap undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time. While it is impossible to identify all such factors, factors that could cause, and in the case of the COVID-19 pandemic has already caused, actual results to differ, such as decreases in revenues or increases in costs, materially from those estimated by us include, but are not limited to, the following:

- Each of the factors discussed in the “Risks and Uncertainties” section of this MD&A below and Nova Leap’s continuous disclosure materials filed from time to time on SEDAR;
- a pandemic, epidemic, or other widespread outbreak of an infectious disease or other public health crisis, such as the COVID-19 pandemic, which could decrease the Corporation’s client service hours and revenues, lead to staffing and supply shortages and associated cost increases, or otherwise interrupt operations;
- actions by government agencies at the various levels, including federal, state, local and provincial, in response to the COVID-19 pandemic, such as shelter-in-place orders, facility closures and quarantines, which could impair the Corporation’s ability to operate and provide care;
- the Corporation’s ability to maintain infectious disease prevention and control efforts that are required and effectively minimize the spread of COVID-19 among clients and employees;
- the Corporation’s ability to successfully complete and integrate acquisitions consistent with its growth strategy, including realization of anticipated revenues, cost savings, productivity improvements and avoidance of unanticipated difficulties, costs or liabilities that could arise from acquisitions or integrations; and
- general conditions in the economy and capital markets.

Any financial outlook or future-oriented financial information in this MD&A has been approved by management of Nova Leap as of the date of this MD&A. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

USE OF NON-IFRS FINANCIAL MEASURES

This MD&A contains references to certain measures that do not have a standardized meaning under IFRS as prescribed by the International Accounting Standards Board (“IASB”) and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management’s perspective. Accordingly, non-IFRS financial measures should not be considered in isolation or as a substitute for analysis of financial information reported under IFRS. The Corporation presents non-IFRS financial measures, specifically gross margin, EBITDA, and adjusted net income (loss) (as each of such terms are hereinafter defined). The Corporation believes these non-IFRS financial measures are frequently used by lenders, securities analysts, investors and other interested parties as measures of financial performance and it is therefore helpful to provide supplemental measures of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on IFRS financial measures.

The Corporation’s definitions of non-IFRS financial measures are as follows:

- Gross margin is service revenue less cost of service.
- EBITDA is calculated as loss from operating activities plus amortization and depreciation and stock-based compensation.
- Adjusted net income (loss) is net income (loss) adjusted for stock-based compensation expense, acquisition expenses, foreign exchange gains/losses, impairment losses net of the related deferred income tax recovery, restructure charges, and severance and other costs as well as non-recurring government grants net of income taxes.

HIGHLIGHTS FOR 2020

- On January 16, 2020, Nova Leap closed the second and final tranche of its non-brokered private placement through the issuance of unsecured subordinated convertible debentures ("the Debentures") for gross proceeds of $579,532 USD (CAD$756,000). The Debentures mature five (5) years from issuance, bear interest of 8% per annum, are paid semi-annually, and contain a conversion price of CAD $0.52 per common share.
- During the year ended December 31, 2020, 3,614,031 warrants were exercised for proceeds of $942,281 (CAD$1,294,402).
- On August 10, 2020, the Corporation received $1.976 million of loans from a U.S. bank under the Paycheck Protection Program ("PPP"). Management estimates that the criteria for forgiveness for $1.912 million of the PPP loans was met by the end of Q4 and as a result this amount has been recognized as Other income in the Statement of Income and Comprehensive Income. The remaining amount of $63,446 is recorded on the Statement of Financial Position and a repayment schedule is to be determined by the bank after the deferral period ends in 2021. The forgiveness applications have been submitted and, as of the date of this MD&A, $1,403,900 has been forgiven with one forgiveness application still open.
- In September 2020, Nova Leap placed Number 2 on the Globe and Mail's second-annual ranking of Canada's top growing companies based on the three-year revenue growth.
- In September 2020, Nova Leap completed the acquisition of the business assets of a home care agency located in Arkansas for $250,000. The purchase price for the acquisition was paid with $200,000 in cash and a $50,000 promissory note issued to the vendor.
- In October 2020, Nova Leap completed the acquisition of a home care business located in Massachusetts. The total maximum consideration is $1,275,000 of which $600,000 was payable with cash on closing, $375,000 by way of a promissory note repayable over a three-year period, bearing interest of 2% per annum, and up to $300,000 by way of a 3-year structured earnout.
- In December 2020, Nova Leap completed the acquisition of a home care business located in Ohio. The total consideration is $1,100,000 of which $815,000 was payable with cash on closing and $225,000 by way of a promissory note repayable over a two-year period, bearing interest of 2% per annum and the assumption of $60,000 of client deposits.
- Impact of COVID-19:

    On March 11, 2020, the World Health Organization ("WHO") officially declared the Coronavirus disease 2019 ("COVID-19") a pandemic. This has resulted in governments worldwide enacting emergency measures to contain the spread of the virus. These measures have caused material disruption to businesses globally, including the United States and Canada, resulting in economic slowdown. While home care has been deemed an essential service in all jurisdictions in which the Group operates, operations have been impacted through reduced client service hours, particularly in the US operating segment.

    The safety and well-being of Nova Leap's employees and clients remains a priority. Management is following the guidelines set out by the WHO, the Centers for Disease Control and Prevention ("CDC"), Health Canada, the Province of NS, the states, counties and municipalities in which we operate. To date, Nova Leap has secured adequate Personal Protective Equipment ("PPE") and has access to further supplies, as required.

    Toward late-March 2020, Nova Leap began to see a decline in client service hours due to COVID-19. In May, Nova Leap began to see a rebound of client service hours in several jurisdictions in which it operates as various governments began the re-opening of their respective economies and lifting the shelter-in-place orders that were in effect. However, with ongoing high levels of infection rates in the US and new variants, client service hours have not yet recovered to pre-COVID-19 levels. While the pressure on client service hours is expected to continue in the near term, particularly in the U.S., management remains confident in the longer-term prospects of the Corporation and believes Nova Leap is well positioned for the future. With the approval of the first three COVID-19 vaccines in the U.S. and Canada and a roll-out plan in both jurisdictions, management expects to see a strengthening in the operations and continued to invest in the long-term future of the Corporation by acquiring three home care businesses between September and December 2020.

As the COVID-19 pandemic has evolved, many of the federal and state/provincial governments in jurisdictions in which Nova Leap operates have introduced economic measures to protect companies, employees and the economy. A listing of the more significant programs Nova Leap is participating in is outlined below.

a) Canadian Emergency Business Account ("CEBA") loan

Two of Nova Leap's Canadian entities received a total $120,000 CAD ($90,317 USD) of CEBA loans from the Canadian Government in response to the COVID-19 pandemic. The CEBA loans are interest-free of which 25% is forgivable (up to $40,000 CAD) if repaid by December 31, 2022.

b) Canada Emergency Wage Subsidy ("CEWS")

The CEWS covers a portion of employees' wages for employers who have suffered a drop in gross revenues beginning in March 2020. The Corporation's Canadian operating segment received $478,396 CAD ($347,655 USD) from the CEWS program during the year. The CEWS is classified as Other income on the Consolidated Statement of Income and Comprehensive Income.

c) Deferred payroll liabilities

The CARES Act in the US allows employers to defer payment of an employer's 6.2% share of the Social Security ("FICA") payroll tax for the period beginning on March 27, 2020 and ending December 31, 2020. The repayment terms are such that 50% of the deferred payroll liability is due December 31, 2021 and the remaining 50% is due by December 31, 2022. The Corporation implemented this program effective May 4, 2020 and has accumulated a deferral of $364,834 to the end of Q4.

d) Paycheck Protection Program loans ("PPP")

In August 2020, the Corporation received $1.976 million of loans from a U.S. bank under the PPP. These loans are guaranteed by the U.S. Small Business Administration ("SBA") under the U.S. CARES Act in response to COVID-19. These loans, which bear interest at the rate of 1% per annum, will be repayable monthly, over a five-year period starting in 2021 and, if certain conditions are met, may be partially or fully forgiven. Key conditions for forgiveness include the requirement that at least 60% of the loan be used for payroll, maintaining the number of employees on payroll and maintaining at least 75% of total salary. If any of the conditions are not met, the amount eligible for forgiveness is reduced proportionately.

As at December 31, 2020, it is estimated that at least $1.912 million will be forgiven and this amount has been recognized as Other Income in the Statement of Income and Comprehensive Income. The remaining amount is recorded in current liabilities on the Statement of Financial Position and a repayment schedule is to be determined by the bank after the deferral period ends in 2021. The forgiveness applications have been submitted and as of the date of this MD&A, $1,403,900 has been forgiven with one forgiveness application still open.

Operational results

- Cash balance of $2,778,845 at December 31, 2020 was the second highest reported cash balance in the Corporation's history and was an increase of 69.9% over the cash balance of $1,635,211 at December 31, 2019.
- Operating cash flows of $3,012,303 for 2020 as compared to 2019 operating cash flows of $585,645. Of the 2020 cash flows, $2,332,519 can be attributed to the estimated forgivable amount of PPP loans and other COVID-19 related government grants. In the absence of the COVID-19 related government assistance during 2020, operating cash flows would have been $679,784, a year over year increase of 16.1% and a record for Nova Leap.
- Q4 2020 EBITDA of $(36,515), which excludes government assistance programs, was lower than Q4 2019 EBITDA of $181,660 and Q3 2020 EBITDA of $119,771 (see reconciliation of EBITDA to Operating income (loss) in "Segmented information" below). The lower EBITDA is a result of the ongoing impact of COVID-19, Q4 holidays which saw a larger than normal decline in client service hours and an increase in fixed operational costs related to agency office personnel and general & administrative expenses due to the acquisitions made late in 2020.
- Q4 2020 revenues of $4,483,539 were 7.0% lower than Q4 2019 revenues of $4,818,729. However, Q4 2020 revenues were 6.0% higher than Q3 2020 revenues of $4,231,326. The lower revenues in Q4 2020 as compared to

Q4 2019 is primarily the result of the impact of COVID-19 which began in the later part of March 2020. The increase over Q3 2020 is a result of acquisitions made late in the third quarter and fourth quarter of 2020.

- Nova Leap's history of managing the collection of accounts receivable is outstanding and continued as such during 2020 as $35,539 of accounts receivable were written off on revenues of $17,309,407. This represents an anticipated collection rate of 99.8%. The Corporation's anticipated accounts receivable collection rate for 2019 was also 99.8%.
- The Corporation's revolving credit facility of $696,000 did not have a balance at the end of Q4 2020, with the full amount available in the future, if required.

Highlights Subsequent to December 31, 2020

- On February 1, 2021, the Corporation announced that it had provided notice to the holders of the Corporation's 8.0% unsecured subordinated convertible debentures with a principal amount of CAD$2,151,000 and a maturity date of December 30, 2024 that it would be exercising its option to convert the entire principal amount of Debentures outstanding into common shares of the Corporation at a conversion price of CAD$0.52 (the "Forced Conversion"). In January 2021, CAD$187,000 of the Debentures due December 30, 2024 were voluntarily converted at a conversion price of CAD$0.52. The Forced Conversion was completed on March 3, 2021 with any accrued and unpaid interest under the Debentures to the conversion date to be paid to the holders in accordance with the Debentures.
- $1,403,900 of the total $1,975,600 PPP Loans have been forgiven with one forgiveness application still open.

NOVA LEAP'S STRATEGY

Nova Leap will continue with its strategy of acquiring home and home health care companies and will consider opportunities in the United States and Canada where clients pay out of pocket, are covered through long-term care insurance or through government programs such as Medicare or the Department of Veteran Affairs. The Corporation has completed fourteen acquisitions as of the date of this MD&A and has opened one organic location. Achieving the Corporation's plans remains dependent on management's ability to operate cash flow positive subsidiaries, acquire profitable home and home health care businesses and to arrange financing to complete such acquisitions.

Post-acquisition, Nova Leap's strategy is to enhance all businesses through the following:

1) Enhancement of sales and marketing strategies;
2) Implementation of efficiencies around payroll, scheduling, billing, accounting and human capital;
3) Increased investment in staff and staff training;
4) Expansion of services, partnerships and geographical coverage;
5) In-State and In-Province organic expansion by increased office location footprint; and
6) Enhancement of risk management policies.

OPERATIONS OVERVIEW

The Corporation through its subsidiaries provides the following services to clients and families:

- Dementia care;
- Companionship;
- Personal care;
- Respite care;
- Cooking and meal preparation;
- Light housekeeping;
- Activities of daily living;
- Transportation services;
- Medication reminders; and
- Medication administration by nursing staff.

Services are generally paid directly by clients, the Department of Veteran Affairs or through long-term care insurance programs. Services are provided in private homes, assisted living communities, hospitals, nursing homes, hospice and rehabilitation centers.

Dates of Acquisition

The operating results include the results of operations for the periods ended December 31, 2020 and 2019 for the parent company, Nova Leap Health Corp., and home care agencies owned on January 1, 2019 in both the US and Canada, but only the results from operations of the subsidiaries acquired during the reporting periods as follows:

- Nova Scotia, for the period from April 21, 2019 onward,

- Oklahoma, for the period from October 6, 2019 onward,
- Massachusetts, for the period from November 3, 2019 onward,
- Arkansas, for the period from September 21, 2020 onward,
- Massachusetts, for the period from November 1, 2020 onward, and
- Ohio, for the period from December 27, 2020 onward.

SUMMARY OF QUARTERLY RESULTS

A summary of quarterly results is included in the table below. The financial information is extracted from or derived from the Corporation's consolidated financial statements.

	Dec 31, 2020	Sep 30, 2020	June 30, 2020	Mar 31, 2020
Revenue	$4,483,539	$4,231,326	$3,983,402	$4,611,140
Adjusted net income (loss) [(1)]	$719,088	$(82,913)	$(72,146)	$(71,019)
Net income (loss)	$1,236,350	$467,773	$(791,163)	$343,338
Net income (loss) per share				
- **Basic and diluted**	$0.01	$0.01	($0.01)	$0.01
Operating cash flows	$(144,705)	$2,370,159	$596,936	$189,913
	Dec 31, 2019	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**
Revenue	$4,818,729	$4,424,350	$4,249,781	$3,911,855
Adjusted net income (loss) [(1)]	$1,669	$2,985	$(148,933)	$(123,376)
Net (loss) income	$(298,399)	$(43,074)	$(315,208)	$(399,134)
Net (loss) income per share				
- **Basic and diluted**	$0.00	$0.00	$(0.01)	$(0.01)
Operating cash flows	$18,340	$201,311	$179,972	$186,022

[(1)] *See reconciliation of non-IFRS measure below.*

Beginning in late Q1 2020, the Corporation began to see a decline in client service hours and revenue due to the impact of COVID-19. The Corporation's client service hours and revenue began to rebound in Q3 2020 due to the reopening of economies and stay at home orders. Revenues further increased for the three months ended December 31, 2020 as compared to the prior quarter due to acquisitions in late Q3 and Q4 2020. The Corporation's client service hours and revenue increased most quarters through 2019 primarily due to the acquisition of new operations (see "Dates of Acquisition") above. Operating cash flows for Q3 2020 were positively impacted by the receipt of PPP loans of $1,975,600.

Reconciliation of non-IFRS measure

	Dec 31, 2020	Sep 30, 2020	June 30, 2020	Mar 31, 2020
	$	$	$	$
Adjusted net (loss) income	719,088	(82,913)	(72,146)	(71,019)
Stock-based compensation	(126,393)	(61,438)	(62,042)	(63,988)
Foreign exchange (loss) gain	(359,434)	(129,186)	(230,060)	480,880
Acquisition expenses	(123,441)	(55,083)	(22,227)	(2,535)
Severance and other	-	(2,928)	(9,446)	-
Impairment loss (net of deferred tax recovery)	-	-	(590,560)	-
Other income (net of income taxes)	1,126,530	799,321	195,318	-
Net income (loss)	1,236,350	467,773	(791,163)	343,338

Reconciliation of non-IFRS measure

	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
	$	$	$	$
Adjusted net income (loss)	1,669	2,985	(148,932)	(123,376)
Stock-based compensation	(154,335)	(51,823)	(50,822)	(144,440)
Foreign exchange (loss) gain	(104,919)	49,134	(98,942)	(105,130)
Acquisition expenses	(35,091)	(43,371)	(16,512)	(22,725)
Severance and other	(5,723)	-	-	(3,463)
Net (loss) income	(298,399)	(43,074)	(315,208)	(399,134)

RESULTS OF OPERATIONS – YEAR ENDED DECEMBER 31, 2020

For the year ended December 31, 2020, the Corporation reported a net income of $1,256,298 and a net income per share of $0.02. For the year ended December 31, 2019, the Corporation reported a net loss of $(1,055,815) and a net loss per share of $0.02.

	For the years ended December 31,	
	2020	**2019**
	$	**$**
Revenues		
Service revenue	**17,309,407**	17,404,715
Operating expenses		
Cost of service	**11,438,005**	11,559,882
	5,871,402	5,844,833
Corporate and administrative expenses		
Head office and operations management	**3,818,614**	3,504,215
General & administrative	**1,590,781**	1,433,358
Amortization and depreciation	**544,224**	618,670
Stock based compensation	**313,861**	401,420
	6,267,480	5,957,663
Loss from operating activities	**(396,078)**	(112,830)
Other income (expenses)		
Other income	**2,210,803**	-
Finance expense	**(448,122)**	(460,729)
Foreign exchange loss	**(237,800)**	(259,856)
Acquisition related expenses	**(203,286)**	(117,699)
Impairment loss	**(800,000)**	-
	521,595	(838,284)
Income (loss) before income taxes	**125,517**	(951,114)
Deferred income tax recovery (expense)	**1,196,201**	(56,808)
Current income tax expense	**(65,420)**	(47,893)
Total income tax recovery (expense)	**1,130,781**	(104,701)
Net income (loss)	**1,256,298**	(1,055,815)

Revenue is billed (or invoiced) at an hourly rate specified in client agreements and recognized at the time services are rendered. The decrease in revenue reported for the year ended December 31, 2020 versus December 31, 2019 is attributable to the impact of COVID-19 on client service hours for certain agencies owned for the entire fiscal year offset by an increase in revenue contributed by acquisitions completed throughout the 2020 fiscal year as outlined above.

Cost of services is comprised of hourly employee compensation, related payroll taxes, benefits and workers compensation insurance.

Gross margin for the three and twelve month periods ended December 31, 2020 was 33.2% and 33.9%, respectively, as compared to 32.0% and 33.6% for the three and twelve months periods ended December 31, 2019. Gross margin varies by location based on staffing models (use of overtime), billing rates, worker's compensation rates and state specific payroll taxes.

The corporate and administrative expenses include professional fees, consulting fees and salary for officers and agency operations management, regulatory and transfer agent fees related to costs associated with operating a public company along with costs related to the ongoing management of home care operations and non-cash expenses related to amortization of customer lists and stock-based compensation. The year-over-year increase in corporate and administrative expenses was primarily a result of the acquisitions closed during 2020.

In 2020, a goodwill impairment of $800,000 was recorded in the US-NH/VT Cash Generating Unit based on indicators of impairment identified during the period. One of the acquisitions made as part of this CGU was a turnaround which management anticipated would take time to achieve targeted operating results. While certain progress has been made, most notably towards improving operating income, the impact of COVID-19 and continued uncertainty around the extent of the impact of COVID-19 on the progress and timing of achieving the targeted operating results leads management to believe that a non-cash accounting impairment is warranted. Management's outlook for the business over the long-term remains consistent with its position taken during the acquisition and the impairment does not have an impact on current cash flow.

Segmented Information

Management identifies the Group's reportable segments as U.S. operations and Canadian operations. All businesses provide home care services to clients, with Corporate Head Office providing management oversight, capital allocation and M&A functions. These operating segments are monitored by the Group's Chief Executive Officer and strategic decisions are made based on segment operating results.

Segment information for the reporting period is as follows:

	For the year ended December 31, 2020				
	US	**Canada**	**Total Reportable Segments**	**Group Head Office**	**Total**
	$	$	$	$	$
Segment revenues	**13,223,626**	**4,075,196**	**17,298,822**	**10,585**	**17,309,407**
Cost of service	8,584,298	2,853,707	11,438,005	-	11,438,005
Gross margin	**4,639,328**	**1,221,489**	**5,860,817**	**10,585**	**5,871,402**
Gross margin %	**35.1%**	**30.0%**	**33.9%**	**-**	**33.9%**
General & administrative	3,528,840	751,150	4,279,990	1,129,405	5,409,395
EBITDA	**1,110,488**	**470,339**	**1,580,827**	**(1,118,820)**	**462,007**
Amortization and depreciation	421,714	69,911	491,625	52,599	544,224
Stock based compensation	22,375	9,625	32,000	281,861	313,861
Segment operating income (loss)	**666,399**	**390,803**	**1,057,202**	**(1,453,280)**	**(396,078)**
Segment assets	**13,157,672**	**3,398,699**	**16,556,371**	**978,715**	**17,535,086**

Nova Leap had positive operating income and EBITDA for the US and Canada operating segments for the year ended December 31, 2020 as well as positive consolidated EBITDA. The Corporation's year-over-year EBITDA declined for the US segment due to the impact of COVID-19 on operations.

	For the year ended December 31, 2019				
	US $	Canada $	Total Reportable Segments $	Group Head Office $	Total $
Segment revenues	**13,760,173**	**3,636,338**	**17,396,511**	**8,204**	**17,404,715**
Cost of service	9,086,071	2,473,811	11,559,882	-	11,559,882
Gross margin	**4,674,102**	**1,162,527**	**5,836,629**	**8,204**	**5,844,833**
Gross margin %	**34.0%**	**32.0%**	**33.6%**	**-**	**33.6%**
General & administrative	3,023,223	745,899	3,769,122	1,168,451	4,937,573
EBITDA	**1,650,879**	**416,628**	**2,067,507**	**(1,160,247)**	**907,260**
Amortization and depreciation	478,525	87,099	565,624	53,046	618,670
Stock based compensation	36,217	11,639	47,856	353,564	401,420
Segment operating income (loss)	**1,136,137**	**317,890**	**1,454,027**	**(1,566,857)**	**(112,830)**
Segment assets	**9,687,472**	**3,019,059**	**12,706,531**	**1,408,439**	**14,114,970**

The Group's revenues from clients and its non-current assets are all attributable to the U.S. and Canada segments. Revenues from clients are identified based on the client's geographical location. Non-current assets are allocated based on their physical location.

RESULTS OF OPERATIONS – FOURTH QUARTER 2020

For the three months ended December 31, 2020 and 2019, selected financial information was as follows:

	2020 **$**	2019 $
Net service revenue	**4,483,539**	4,818,729
Cost of service revenue	**2,992,968**	3,276,926
Gross margin	**1,490,571**	1,541,803
General, administrative & other	**1,816,273**	1,637,570
Loss from operating activities	**(325,702)**	(95,767)

The loss from operating activities includes non-cash amortization and depreciation and stock-based compensation of $289,187 for the three months ended December 31, 2020 (2019 - $277,427). The results for the three months ended December 31, 2020 included operations for an additional two acquired entities for acquisitions made late in the third quarter and fourth quarter of 2020. The fourth quarter results for 2020 were also negatively impacted by COVID-19 primarily in the US segment.

Segment information for the reporting period is as follows:

	For the three months ended December 31, 2020				
	US **$**	**Canada** **$**	**Total Reportable Segments** **$**	**Group Head Office** **$**	**Total** **$**
Segment revenues	**3,384,483**	**1,096,493**	**4,480,976**	**2,563**	**4,483,539**
Cost of services	2,222,027	770,941	2,992,968	-	2,992,968
Gross margin	**1,162,456**	**325,552**	**1,488,008**	**2,563**	**1,490,571**
Gross margin %	34.3%	29.7%	33.2%	-	33.2%
General & administrative	1,021,571	203,746	1,225,317	301,769	1,527,086
EBITDA	**140,885**	**121,806**	**262,691**	**(299,206)**	**(36,515)**
Amortization & depreciation	132,513	16,752	149,265	13,529	162,794
Stock-based compensation	5,406	2,342	7,748	118,645	126,393
Segment operating income (loss)	**2,966**	**102,712**	**105,678**	**(431,380)**	**(325,702)**

	For the three months ended December 31, 2019				
	US **$**	**Canada** **$**	**Total Reportable Segments** **$**	**Group Head Office** **$**	**Total** **$**
Segment revenues	**3,701,697**	**1,114,396**	**4,816,093**	**2,636**	**4,818,729**
Cost of services	2,519,495	757,431	3,276,926	-	3,276,926
Gross margin	**1,182,202**	**356,965**	**1,539,167**	**2,636**	**1,541,803**
Gross margin %	31.9%	32.0%	32.0%	-	32.0%
General & administrative	790,202	218,073	1,008,275	351,868	1,360,143
EBITDA	**392,000**	**138,892**	**530,892**	**(349,232)**	**181,660**
Amortization & depreciation	87,941	21,802	109,743	13,349	123,092
Stock-based compensation	17,044	5,978	23,022	131,313	154,335
Segment operating income (loss)	**287,015**	**111,112**	**398,127**	**(493,894)**	**(95,767)**

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

The Corporation's cash from operating activities was $3,012,303 for the year ended December 31, 2020 as compared to $585,645 for the year ended December 31, 2019. The Corporation's ability to generate positive operating cash flows reflects streamlining operations as well as the ability for segment operations to cover head office costs for the year ended December 31, 2020. The operating activities for the periods ended December 31, 2020 and 2019 were primarily related to ongoing management of home care operations, the continued efforts for identification, evaluation and completion of the additional acquisitions, management expenses for back office support of operations and the corporate and administrative costs such as professional fees, consulting fees and salary, regulatory and transfer agent fees associated with operating a public company. The higher operating cash flows for 2020 are primarily a result of receiving $1,975,600 of PPP loans, $347,655 of CEWS as well as payroll tax deferrals of $364,834 as discussed above.

Financing Activities

The Corporation's cash used by financing activities for the year ended December 31, 2020 was $(325,460) as compared to cash provided by financing activities of $731,354 for the year ended December 31, 2019. Financing activities for the year ended December 31, 2020 included the proceeds from the issuance of convertible debt of $527,074 (2019 - $1,767,913), proceeds from the exercise warrants of $942,281 (2019 - $551,833), proceeds from government loans of $153,764 (2019 - nil), offset by principal repayments on the demand loans and transaction costs of $768,662 (2019 – $729,384), principal and interest payments on the promissory notes of $647,391 (2019 - $527,828), principal and interest payments on the lease liabilities $164,193 (2019 - $119,747), interest payments on the convertible debt of $157,604 (2019 – nil) and interest payments on the demand loans of $140,684 (2019 - $229,664).

Investing Activities

The Corporation's cash used in investing activities for the year ended December 31, 2020 was $1,562,930, as compared to $988,299 for the year ended December 31, 2019. The cash used in investing activities for the year ended December 31, 2020 was for acquisitions of the assets in Arkansas, Massachusetts and Ohio. The cash used in investing activities for the year ended December 31, 2019 was for acquisitions of the assets in Nova Scotia, Oklahoma and Massachusetts, and included $114,624 related to a building and right-of-use asset.

Liquidity

Continuing operations, as intended, are dependent on management's ability to raise required funding through future issuances of equity or debt, its ability to acquire targets or business interests and develop profitable operations or a combination thereof, which is not assured.

During the year-ended December 31, 2020, the Corporation generated positive cash flows from operations. As at December 31, 2020, the Corporation had positive working capital of approximately $159,890, including $2,300,046 of Schedule 1 Canadian bank demand loans that are classified as current liabilities due to their demand feature of which

$927,363 is due in the next twelve months. The Corporation currently has enough cash and cash equivalents as well as access to an unused $696,000 revolving facility to meet its contractual obligations as they come due including scheduled loan payments but would require financing for future significant acquisitions. Management believes it has the ability to obtain additional capital financing as needed.

Capital Resources

At December 31, 2020, the Corporation had 6,410,000 stock options outstanding at a weighted average exercise price of CAD$0.38 of which 3,945,000 are vested and exercisable at December 31, 2020 at a weighted average exercise price of CAD$0.31. The exercise of all vested and exercisable stock options could potentially bring in additional financing of CAD$1.2 million. There is no certainty that the Corporation will receive these stock option proceeds over time as not all stock options may be exercised. Throughout the year ended December 31, 2020, 3,614,031 warrants were exercised for proceeds of $942,281 (CAD$1,294,402) and 35,000 stock options were exercised for $6,642 (CAD$8,750).

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties. Related parties include members of the Board of Directors, as well as the Chief Executive Officer, the Chief Financial Officer and Corporate Secretary. Head office and operations management expenses includes the following related party remuneration expenses:

	Year ended December 31,	
	2020	**2019**
	$	**$**
Consulting fees	**399,121**	388,461
Directors fees	**57,444**	58,034
Stock based compensation	**261,064**	324,817
	717,629	771,312

As at December 31, 2020, there was nothing included in accounts payable and accrued liabilities for amounts owed to officers of the Corporation (December 31, 2019 – $64,971) for consulting fees and expense reimbursements, and $60,478 for amounts due to directors for director fees (December 31, 2019 – $54,545).

Certain related parties participated in the convertible debt financing and subscribed to a total of $379,359 of convertible debentures. For the year-ended December 31, 2020, interest of $24,339 was paid to key management personnel at the prescribed rate in relation to the convertible debentures.

OFF BALANCE SHEET ITEMS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

Authorized capital stock consists of an unlimited number of common shares without nominal or par value.

As at the date of the MD&A, there were 70,108,353 common shares of the Corporation issued and outstanding and 6,372,500 stock options outstanding.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair operations of the Corporation. If any such risks were to occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its plans could be adversely affected.

Risks Related to Ownership of Nova Leap Stock

Financing Risks and Dilution to Shareholders

If the Corporation makes significant acquisitions in the future, additional financing will be required. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Corporation's existing shareholders.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation's shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

Conflicts of Interest

The Corporation's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the Canadian Business Corporations Act ("CBCA") in dealing with conflicts of interest. These provisions state, where a director or officer has such a conflict, that the director or officer must, at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the CBCA. In accordance with the applicable laws, the directors and officers of the Corporation are required to act honestly, in good faith and in the best interest of the Corporation.

Risks Related to Growth Strategy

The Corporation may not be able to integrate the operations of acquired businesses within its current business structure in an efficient and cost-effective manner. Acquisitions involve significant risks and uncertainties, including difficulties integrating personnel and business practices, the potential loss of key employees or referral sources. The failure to effectively integrate any of these businesses could have a material adverse effect on the business and consolidated financial condition, results of operations and cash flows of the Corporation.

Risks Related to Operations

Dependence on Management

The Corporation is dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

Renewal of Home Care License

There are licensing requirements in the States of New Hampshire, Rhode Island and Oklahoma to provide home care or home health care services. Such a license is subject to an annual renewal, and as a result there is no assurance or guarantee that the Corporation will pass any future license renewal processes. If the license is not renewed it will impact the ability to generate future profits. The Corporation currently operates under valid licenses.

Competition

The home health care industry is highly competitive, with few barriers to entry in certain states. The Corporation competes based on the availability of caregivers, the quality of services, expertise of operating staff, and the price of services. Increased competition in the future may limit the Corporation's ability to maintain or increase market share. Also, the Corporation competes with other companies that have greater financial resources. Competition could adversely affect the Corporation's ability to expand in the future.

Relationships with patient referral sources

If the Group is unable to maintain relationships with existing patient referral sources, its business and consolidated financial condition, results of operations and cash flows could be materially adversely affected. The Group's success depends on referrals from various sources in the communities served and its ability to maintain good relationships with existing referral sources. The Group's referral sources are not contractually obligated to refer clients and may refer clients to other providers which would impact Nova Leap adversely.

Shortage of caregivers

There is a shortage of caregivers in many of the regions in which the Group operates. As a result, the Group may face higher costs of recruiting and retaining caregivers, compensating caregivers or loss of clients and revenue which would all adversely impact the Corporation.

Information systems

The Corporation's business depends on information systems. The Corporation's ability to effectively integrate, manage and keep our information systems secure and operational could disrupt operations.

Litigation

The Corporation and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Insurance

Nova Leap's insurance liability coverage may not be sufficient for its business needs. As a result of operating in the home health care industry, Nova Leap's business entails an inherent risk of claims, losses and potential lawsuits alleging incidents involving our caregivers that are likely to occur in a patient's home. Nova Leap maintains professional liability insurance which provides coverage to the Group against these risks. However, there is no assurance claims will not be made in the future in excess of the limits of the Group's insurance coverage.

Pandemic, epidemic or other widespread outbreak of an infectious disease such as COVID-19 virus

If a pandemic, epidemic, or other widespread outbreak of an infectious disease or other public health crisis were to occur in areas in which the Group operates, operations could be materially and adversely affected by causing staffing and supply shortages. The exact nature of a crisis stemming from a pandemic, epidemic or other widespread outbreak and how it would affect the Group is difficult to predict and could adversely affect operations.

Natural disasters

The occurrence of natural disasters, such as hurricanes, blizzards and other snow and ice events, in the markets in which the Group operates could impact its ability to serve clients which could result in lower revenue for the period in which they occur.

Write-off of Goodwill

A write-off of a significant amount of intangible assets or long-lived assets could have a material adverse effect on Nova Leap's consolidated financial condition and results of operations. A significant and sustained decline in Nova Leap's stock price and market capitalization, a significant decline in expected future cash flows, a significant adverse change in the business climate, or slower growth rates could result in an impairment charge. Nova Leap has grown substantially through acquisitions. Therefore, goodwill and other acquired intangible assets represent a significant portion of the Corporation's assets.

Risks Related to Liquidity

Delays in client payments

The Corporation's business is characterized by delays from the time services are provided to the time payment for those services is received. If the Corporation experiences information system problems or experiences other issues in completing adequate paperwork for the Department of Veteran's Affairs or long-term insurance reimbursement, the Group may encounter additional delays in its payment cycle. Timing delays in billings and collections may cause working capital shortages.

Economic Conditions

Unfavorable economic conditions may negatively impact the Corporation's financial viability because of increased financing costs and limited access to capital markets and debt financing.

FINANCIAL INSTRUMENTS

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by maximizing cash flow from operations.

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Group is exposed to the same risks in the current year as it was exposed to in the prior year. The most significant financial risks to which the Group is exposed are described below.

Credit risk
Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting period, as summarized below:

Classes of financial assets – carrying amounts	December 31, 2020	December 31, 2019
	$	$
Cash and cash equivalents	**2,778,845**	1,635,211
Accounts receivable	**1,407,625**	1,680,194
	4,186,470	3,315,405

Credit risk management
The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks are managed by only using major reputable financial institutions.

The Group does not specifically assess the credit quality of clients based on a credit rating but through an informal process while onboarding for service. Invoice terms are generally payable within thirty days. The ongoing credit risk is managed through regular review of aging analysis.

At certain locations, clients are required to pay an upfront deposit, mitigating the credit risk. As at December 31, 2020, the Group had collected client deposits of $143,112 (December 31, 2019 - $92,925), representing approximately 10.2% of outstanding accounts receivable, billed and accrued (December 31, 2019 - $5.5%).

Accounts receivables consist of many clients in various geographical areas.

Accounts receivable

The Group applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all accounts receivable as these items do not have a significant financing component.

In measuring the expected credit losses, the accounts receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

The expected loss rates are based on the payment profile for sales over the past 12 months before December 31, 2020 for entities owned for the full year and for entities acquired during the year it was based on sales over the 12 months for the full fiscal year prior to acquisition as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) of the countries in which the clients are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Accounts receivable are written-off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

Lifetime expected credit loss is less than 0.2% and the Group's accounts receivable maximum exposure to credit risk is $1,264,512 at December 31, 2020 (December 31, 2019 – $1,587,269) with 78% of the balance outstanding for less than 30 days (December 31, 2019 – 74%). Actual specific write-offs of accounts receivable for the year ended December 31, 2020 was $35,539 (December 31, 2019 - $34,917). There was no increase to credit risk identified as a result of the COVID-19 pandemic.

Liquidity risk
Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecasting cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the

contractual maturity analysis below.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a quarterly lookout period are identified monthly. Net cash requirements are compared to available cash balances and available borrowing facilities in order to determine headroom or shortfalls. This analysis shows that available borrowing facilities and cash balances are expected to be sufficient for the next twelve months.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and accounts receivable. The Group's existing cash resources and accounts receivable are in excess of the current contractual cash outflow requirements. Cash flows from accounts and other receivables are all contractually due within 30 days.

The Group had a working capital shortfall at December 31, 2019 primarily due to the presentation of demand loans as current. The Group has sufficient cash to meet its obligations as they become due.

The Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

As at December 31, 2020	< 1 year $	1-2 years $	3-5 years $	> 5 years $
Account payable and accrued liabilities	946,143	-	-	-
Client deposits	143,112	-	-	-
Demand loans, principal and interest	927,363	882,939	766,449	-
Promissory note, principal and interest	489,337	338,988	147,725	-
Lease liability, principal and interest	168,387	97,371	171,792	-
Convertible debenture (1)	198,963	194,408	2,842,664	-
Contingent consideration	19,323	79,894	179,239	-
Government loans (CEBA)	-	62,834	-	-
Government loans (PPP), principal and interest	12,816	12,816	38,448	-
Deferred payroll liability	182,417	182,417	-	-
Total	3,087,862	1,851,667	4,146,317	-

1. *On February 1, 2021 the Corporation announced that it had provided notice to the holders of the Corporation's 8.0% unsecured subordinated convertible debentures with a principal amount of CAD$2,151,000 and a maturity date of December 30, 2024 that it would be exercising its option to convert the entire principal amount of Debentures outstanding into common shares of the Corporation at a conversion price of CAD$0.52.*

As at December 31, 2019	< 1 year $	1-2 years $	3-5 years $	> 5 years $
Account payable and accrued liabilities	941,756	-	-	-
Client deposits	92,925	-	-	-
Demand loans, principal and interest	955,092	944,880	1,634,807	40,592
Promissory note, principal and interest	603,048	200,858	160,918	-
Lease liability, principal and interest	127,981	63,088	6,833	-
Convertible debenture	144,010	144,010	2,232,153	-
Contingent consideration	80,844	80,844	80,844	-
Total	2,945,656	1,433,680	4,115,555	40,592

Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and financing activities.

Foreign currency sensitivity

The Group's operations are carried out in USD. Exposure to currency exchange rates arise from the fact that the Group's equity offerings have been denominated in Canadian dollars and will be denominated in Canadian dollars for the foreseeable future as the Corporation's shares are listed on a Canadian stock exchange and the Group has two operations in Canada that transact in Canadian dollars. The Group's exposure to the Canadian dollar currency risk was as follows:

	December 31, 2020 (CAD) $	**December 31, 2019 (CAD)** $
Cash and cash equivalents	1,005,575	1,589,610
Accounts receivable	309,752	478,679
Accounts payable & accrued liabilities	(491,865)	(462,355)
Demand loan	(1,089,667)	(1,452,429)
Promissory note	(218,719)	(549,108)
Lease liabilities	(125,141)	(179,616)
Convertible debt	(2,863,850)	(2,139,871)
Government loans (CEBA)	(109,868)	-
	(3,583,783)	(2,715,090)

Sensitivity to a plus or minus 5.0% change in the Canadian dollar exchange rate would affect net income and comprehensive income and deficit by approximately $134,000 (December 31, 2019 - $100,000).

Interest rate sensitivity

As at December 31, 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Sensitivity if interest rates increased or decreased by 1% would affect net income and comprehensive income and deficit by approximately $39,000 over the remaining term of the loans (December 31, 2019 - $69,000).

Fair value

All financial assets and liabilities except for the demand loans, promissory notes, contingent consideration and convertible debentures are short-term. The carrying values of short-term financial assets and liabilities are a reasonable approximation of fair value. The fair value of the demand loans and promissory notes are disclosed in note 8 and 9 of the consolidated financial statements for the period ended December 31, 2020.

Dividends

The Corporation has no history or record of paying dividends. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Corporation's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

Management's Responsibility for Financial Statements

The information provided in the Corporation's consolidated financial statements, is the responsibility of management. In the preparation of the statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") for non-venture issuers, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Corporation's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Corporation's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Approval

Dated March 11, 2021